

March 19, 2013

HB 6650

Written testimony of Rick Bologna, General Manager, Westmore Fuel Co., Inc.

Chair LeBeau, Chair Perone, Members of the Commerce Committee.

My name is Rick Bologna and I a third generation Fuel dealer. My company, Westmore Fuel Co., Inc. employs 39 people and serves over 5000 customers in southwestern Fairfield County. This year we celebrate our 75th year in business.

I come here today in opposition of section 3 of HB 6650 that establishes a new excise tax on heating oil.

My customers and all heating oil consumers in the state do not want to pay a higher price on heating oil, putting a new tax in heating oil would do just that. Last year our Governor promised no new taxes and I am surprised to see a tax on heating oil raised in this bill.

Also the state does not have a good record historically of managing tax funds on gasoline, and I believe funds from a new tax on heating oil would suffer the same fate as the state excise tax on gasoline. For example, the state gasoline gross earnings tax was designed to fund pollution clean-up. That tank fund was eliminated last year and the tax flows entirely into general revenue. I feel it would be too tempting for legislators to raid any new revenue fund that is created.

I believe this tax is unnecessary. Through technology, heating oil equipment has already reduced fuel usage by 35% over the past 40 years through efficiency gains made by the industry. Since the 1970's, my industry has lead conservation efforts with our



customers, and we continue to do so today. Furthermore, the tax is unnecessary because of incentives at the federal and state levels: a federal tax credit is available for those purchasing high efficiency heating equipment. There is a CT state sales tax exemption on purchases of high efficiency equipment. A new tax on heating oil may deter consumers from upgrading equipment because of the higher cost with a new tax.

In closing, I respectfully request that you do not create a new tax on heating oil because it will raise the cost of heating oil at a time when our economy cannot handle new taxes. Thank you.